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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding no.	91263510
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Traxxas, L.P., <p style="text-align: center;">Opposer,</p> <p style="text-align: center;">v.</p> Mattel, Inc., <p style="text-align: center;">Applicant.</p>	Opposition No. 91-263510 (parent) 91-270878 OPPOSER MATTEL, INC.’S OPPOSITION TO APPLICANT TRAXXAS, L.P.’S (SECOND) MOTION TO STRIKE
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I. Introduction

Opposer Traxxas, L.P.’s (“Opposer”) has filed another motion to strike in this case. This time, it seeks to strike Applicant Mattel, Inc.’s (“Mattel”) first affirmative defense of laches, which is based on Mattel’s expired registration of MIGHTY MAX for “toys and playthings, namely, toy figures” in Class 28, Reg. No. 3,773,522 (the “2010 Registration”). Opposer argues that Mattel cannot base a laches affirmative defense on Opposer’s failure petition to cancel the 2010 Registration because the 2010 Registration “is ***not*** an earlier registration of the same mark for the ***same goods.***” 31 TTABVUE 2 (emphasis in original).

The Board should deny the motion to strike. First, as the Board itself has acknowledged in this proceeding, a laches defense may be based on ownership of “a prior registration of substantially the same mark for ***substantially the same goods or services.***” 27 TTABVUE 4. Opposer’s unreasonably strict standard is against the weight of authority and inconsistent with the equitable nature of the doctrine of laches. Likewise, Opposer cites to cases applying and authority regarding the *Morehouse* defense, which is not at issue in this case. Also, whether the goods identified in the 2010 Registration are substantially similar to the goods identified in the Application at issue is a question of fact that is not appropriately decided on a motion to strike,

which is limited to consideration of the pleadings. Finally, even if Opposer is correct that the prior registration must be for the “same goods,” that does not justify striking the laches affirmative defense, which, at the very least, remains valid for “toys and playthings, namely, toy figures.”

II. Factual Background

Opposer opposes Mattel’s application to register MIGHTY MAX in Class 28 for “toys, games and playthings, namely, toy figures and accessories therefor, toy action figures and accessories therefor, toy action figure playsets and accessories therefor, toy vehicles and accessories therefor” pursuant to 15 U.S.C. § 1052(d). 7 TTABVUE ¶ 12. On March 24, 2021, Mattel moved for leave to amend its answer to assert a laches affirmative defense based on Opposer’s failure to oppose or petition to cancel the 2010 Registration. 18 TTABVUE. On April 23, 2021, Opposer opposed Mattel’s motion on the grounds that it was untimely and prejudicial to Opposer. 24 TTABVUE. Opposer did not argue, as it does now, that the proposed laches affirmative defense was futile.

On July 29, 2021, the Board held that “[b]ecause discovery is still open and the discovery deadline may be reset, the timing of the motion is not prejudicial to Opposer’s rights.” 27 TTABVUE 3. The Board further held that Mattel’s proposed laches affirmative defense was futile because, in pertinent part, it did not “allege that the prior registration upon which it bases its laches defense is for the same or substantially identical mark for substantially the same goods as its involved mark and goods.” *Id.*, at 4. The Board, however, granted Mattel twenty days “to file an amended answer that sets forth a legally sufficient affirmative defense of laches.” *Id.*, at 5. That same day, Mattel filed an amended answer consistent with the Board’s ruling:

Opposer’s claims are barred in whole or part by the doctrine of laches. Specifically, Mattel filed an application to register MIGHTY MAX for “toys and playthings, namely, toy figures” in Class 28 on April 7, 2003,

Ser. No. 78/234,603. This application matured to registration on April 6, 2010, Reg. No. 3,773,522 (the “2010 Registration”) and remained registered until it was canceled on November 11, 2016 because Opposer did not file a declaration under 15 U.S.C. § 1058. A true and correct copy of the TSDR printout for the 2010 Registration is attached hereto as **Exhibit A**. Opposer never opposed nor petitioned to cancel the 2010 Registration despite its alleged use of MAXX since December 1999, T-MAXX since November 1999, and E-MAXX since December 2000. 8 TTABVue 2. The 2010 Registration is for the same mark at issue in these proceedings, namely, MIGHTY MAX. Also, the 2010 Registration is for, at least in part, substantially the same goods – “toys and playthings, namely, toy figures” – as those at issue in these proceedings – “toys, games and playthings, namely, toy figures and accessories therefor, toy action figures and accessories therefor, toy action figure playsets and accessories therefor, toy vehicles and accessories therefor.” Mattel relied on Opposer’s unreasonable delay to its prejudice by, among other things: continuing to invest resources into and growing its MIGHTY MAX brand; researching and determining manufacturing, distribution, and licensing opportunities for the MIGHTY MAX brand; and developing MIGHTY MAX products and services.

29 TTABVue ¶ 13. On December 7, 2021, the Board held that Mattel had filed a legally sufficient affirmative defense of laches and recommenced this proceeding. 30 TTABVue 2.

III. The Standard Governing Motions to Strike

“[M]otions to strike are not favored, and matter will not be stricken unless such matter clearly has no bearing upon the issues in the case.” *Ohio State University v. Ohio University*, 51 USPQ2d 1289, 1292 (TTAB 1999). “A defense will not be stricken as insufficient if the insufficiency is not clearly apparent, or if it raises factual issues that should be determined on the merits.” TBMP § 506.01; *see also Harjo v. Pro Football Inc.*, 30 USPQ2d 1828, 1830 (TTAB 1994). *See also Gay-Straight Alliance Network v. Visalia Unified School Dist.*, 262 F. Supp. 2d 1088, 1099 (E.D. Cal. 2001) (“A motion to strike under Rule 12(f) should be denied unless it can be shown that no evidence in support of the allegation would be admissible, or those issues could have no possible bearing on the issues in the litigation ... A motion to strike is limited to pleadings.”).

IV. The Board Should Not Strike Mattel's Laches Affirmative Defense

Opposer argues that the Board should strike Mattel's laches affirmative defense because the goods identified in the 2010 registration are not the "same" goods as those identified in the Application at issue. Opposer's position is unavailing for the following reasons.

First, Opposer's motion relies upon the wrong standard. As the Board itself has acknowledged in this proceeding, a laches defense may be based on ownership of "a prior registration of substantially the same mark for substantially the same goods or services." 27 TTABVUE 4. *See Fishking Processors, Inc. v. Fisher Kings Seafood Ltd.*, 83 USPQ2d 1762, 1765 (TTAB 2007), quoting *Aquion Partners L.P. v. Envirogard Products Ltd.*, 43 USPQ2d 1371, 1371 (TTAB 1997) ("A laches defense 'may be based upon opposer's failure to object to an applicant's earlier registration of the same mark for substantially the same goods.'"); *The Brooklyn Brewery Corporation v. Brooklyn Brew Shop, LLC*, 2020 U.S.P.Q.2d 10914, *8 (TTAB 2020), *aff'd, in part*, *The Brooklyn Brewery Corporation v. Brooklyn Brew Shop, LLC*, 2021 USPQ2d 1069 (TTAB 2021) ("Laches may be available, however, if the applicant owns a prior registration for substantially the same mark and goods.").

Contrary to Opposer's position, a laches defense does not require complete identity between the goods or services identified in the expired registration and those at issue in the current proceeding. For example, in *Copperweld Corporation v. Astralloy-Vulcan Corporation*, the Board held that the applicant successfully stated a claim for laches for its application for "deep air hardening alloy steel compositions and deep air hardening alloy steel plates and bars" based on expired registrations for "plates and bars of steel," "machinery parts and cutlery made of steel," "fan and blower blades," "steel hardware and steel construction materials," and "low alloy steel compositions." 196 USPQ 585, 590-91 (TTAB 1977).

In support of its position, Opposer attaches to its motion Section 20:38 of *McCarthy on Trademarks & Unfair Competition*. 31 TTABVUE 9-21. But this section addresses the *Morehouse* defense, which is not at issue in this proceeding and, moreover, is governed by a different standard than laches, i.e., “both the mark and the goods or services in the prior registration must be substantially identical to the mark and goods or services which are the subject of the present application or registration.” 31 TTABVUE 11 (emphasis added). Section 20:35.50 of *McCarthy* – “Laches from failure to object to earlier registration” – addresses Mattel’s defense at issue. **Exhibit A.** Also, unlike the proponent of a laches defense, the proponent of a *Morehouse* defense need not establish prejudice. *See* 31 TTABVUE 9-21. In other words, the *Morehouse* defense applies when the applicant already owns a registration of the same mark for the same goods or services without consideration of equity or prejudice, whereas laches applies in a broader set of circumstances and in light of considerations of equity and prejudice.

Second, and relatedly, whether goods or services are substantially similar is a question of fact that is not suited for resolution on a motion to strike. The Board should not – and cannot – rule on the pleadings that the goods identified in the 2010 Registration and the goods identified in the Application are not substantially similar. *See Aquion*, 43 USPQ2d at 1374 (“[A]pplicant must establish that the goods are the same or substantially similar. Here a genuine issue of material fact remains: whether water filters and purifiers are the same as filter elements for removing taste and odor.”). This is particularly true with respect to laches, which is an “equitable defense” and must be applied by “balanc[ing] the equities of the parties.” *Brooklyn Brewery*, 2020 USPQ2d 10914, at *10.

Opposer cites to *Haggar Company v. Hugger Corporation*, but that case is inapposite. 172 USPQ 253 (TTAB 1971). At issue in *Haggar* was the applicant’s assertion of the

Morehouse defense, not a laches defense. *Id.*, at 254. As to the merits of the defense (which the Board rejected on the grounds that it was not timely pleaded), the Board found that the applicant could not have met the requirements of the *Morehouse* defense, that is, “ownership of an extant registration ... for the same or substantially identical mark and the same or substantially identical goods.” *Id.* As noted, this is a different, less flexible standard than the one governing Mattel’s laches defense.

Third, at the very least, the goods identified in the 2010 Registration – namely, “toys and playthings, namely, toy figures” – is the same as and encompasses certain of the goods identified in the Application at issue – namely, “ **toys**, games **and playthings, namely, toy figures** and accessories therefor, **toy action figures** and accessories therefor, toy action figure playsets and accessories therefor, toy vehicles and accessories therefor.” (Emphasis added.) Thus, there is no basis for striking the laches affirmative defense in its entirety because, even under Opposer’s incorrect recitation of the law, it still applies to, at least, certain goods identified in the Application. For example, at issue in *Brooklyn Brewery* was the applicant’s multi-class application that included, among other goods, “beer making kit.” 2020 USPQ2d 10914, at *1. The Board granted the applicant’s laches affirmative defense as to the “beer making kit” goods based on its prior registration of a substantially similar mark for “beer making kit” goods. *Id.*, at *11.

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V. Conclusion

The Board should deny Opposer's motion and allow Applicant's laches affirmative defense to be tried on its merits.

Respectfully submitted,

Dated: January 18, 2022

/s/Paul A. Bost
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CERTIFICATE OF ELECTRONIC TRANSMISSION

I hereby certify that **OPPOSER MATTEL, INC.'S OPPOSITION TO APPLICANT TRAXXAS, L.P.'S (SECOND) MOTION TO STRIKE** is being transmitted electronically to Commissioner of Trademarks, Attn: Trademark Trial and Appeal Board through ESTTA pursuant to 37 C.F.R. §2.195(a), on this 18th day of January, 2022.

/Paul A. Bost/
Paul A. Bost

CERTIFICATE OF SERVICE

I hereby certify that **OPPOSER MATTEL, INC.'S OPPOSITION TO APPLICANT TRAXXAS, L.P.'S (SECOND) MOTION TO STRIKE** is being transmitted via email to gcarr@carrip.com and trademarks@carrip.com on this 18th day of January, 2022.

/Brenda Smith/
Brenda Smith

EXHIBIT A

3 McCarthy on Trademarks and Unfair Competition § 20:35.50 (5th ed.)

McCarthy on Trademarks and Unfair Competition, Fifth Edition | December 2021 Update
J. Thomas McCarthy

Chapter 20. Inter Partes Trademark Proceedings in the Patent and Trademark Office

II. Opposition Proceedings in the USPTO

E. Equitable Defenses in Opposition Cases

§ 20:35.50. Laches from failure to object to earlier registration



References

The Trademark Board has recognized that the general rule under the *Ace* decision¹ is that in an opposition, laches does not begin to run until publication of the application that is being opposed. However, the Board has carved out an exception: the laches period may run from the date of a prior registration because of the failure of opposer to object to applicant's earlier registration of the same mark for the same goods.² This is said to be a laches defense separate from the *Morehouse* defense.³ This kind of laches defense could apply even if the previously unchallenged registration has since expired.⁴


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Footnotes

¹ See § 20:35.

²  [Aquion Partners L.P. v. Envirogard Products Ltd.](#), 43 U.S.P.Q.2d 1371, 1997 WL 424968 (T.T.A.B. 1997) (defense of laches is available in an Opposition based on an opposer's failure to object to an applicant's earlier registration that inadvertently expired).  [The Brooklyn Brewery Corp. v. Brooklyn Brew Shop, LLC](#), 2020 WL 4673282, *11 (T.T.A.B. 2020) (Laches can be a defense if applicant owns a prior registration for substantially the same mark and goods. Dismissed Opposition to registration of BROOKLYN BREW SHOP and design for “beer making kits” because of defense of laches (four year delay) and acquiescence (by co-branding with defendant.) Defendant had a prior registration for substantially the same mark and goods. Delay was counted from the date of publication of the application for the *prior* registration.).

³ See discussion of the *Morehouse* defense at § 20:38.

⁴  [Land O Lakes, Inc. v. Jim Hugunin](#), 88 U.S.P.Q.2d 1957, 2008 WL 4968297 (T.T.A.B. 2008) (“The defense may be asserted even if the prior registration has expired, although in such case, the period of delay (beginning on the issue date of the prior registration) ends with the expiration of the prior registration. This is because, once it expires, the registration no longer serves as constructive notice of the registrant's claim of ownership thereof. Section 22 of the Trademark Act, 15 U.S.C.A. § 1072;”).

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